

U P District Headquarters Pre-Proposal Meeting



(These slides are presented as a training tool for information only. The solicitation documents govern in the event of a discrepancy.)

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**U.S. ARMY CORPS OF ENGINEERS
AFGHANISTAN ENGINEERING
DISTRICT
OPERATION ENDURING FREEDOM**





1. DBA Insurance is necessary to ensure contractor employees have workmen's compensation insurance in the event of an injury or fatality. This is particularly critical considering some of the high risks our contractors take to support the effort in Iraq and Afghanistan. Every effort must be taken to ensure contractor employees are covered by DBA insurance to avoid any situations where there is an injury or fatality and a contractor employee is not covered.

2. USACE is in its 3rd Single-Source centrally-managed DBA Insurance contract, and as of 1 Oct 09, the Option Period has been exercised with the effective dates of 1 October 2009 through 30 September 2010.

3. The new fixed rates for this mandatory requirements contract are as follows:

Service	\$ 4.00	per \$100 of employee remuneration
Construction	\$ 6.00	per \$100 of employee remuneration
Security	\$10.00	per \$100 of employee remuneration
Aviation	\$17.00	per \$100 of employee remuneration

4. DBA insurance is required for employees of contractors and their subcontractors at every tier unless the U.S. Department of Labor (DOL) has granted a written country waiver (see FAR 28.305) AND the waiver is included in the contract on Technical Exhibit #2, List of Country Waivers (Enclosure 3). No waiver applies to any employee who is: hired in the U.S; a resident of the U.S.; or, a citizen of the U.S.



INSTRUCTIONS TO CONTRACTING OFFICERS: The Special Solicitation Requirement “**Defense Base Act Insurance Rates – Limitation – Fixed-Price (OCT 2009)**” shall be included in all solicitations for fixed-price contracts wherever DBA Insurance is required.

DEFENSE BASE ACT INSURANCE RATES – LIMITATION – FIXED-PRICE (OCT 2009)

(a) The U.S. Army Corps of Engineers (USACE) has entered into a contract with **CNA Insurance** to provide all Defense Base Act (DBA) insurance to USACE and JCC-I/A contractors and subcontractors at a contracted fixed rate. The fixed rates for this insurance are as follows:

Service	\$4.00	per \$100 of employee remuneration
Construction	\$6.00	per \$100 of employee remuneration
Security	\$10.00	per \$100 of employee remuneration
Aviation	\$17.00	per \$100 of employee remuneration

(b) Bidders/Offerors should **compute the total compensation or total payroll**, (salary, plus overseas recruitment incentive and post differential, but **excludes** per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances to include fee or profit) to be paid to employees who will be covered by DBA insurance. Compute the cost of DBA Insurance by utilizing the spaces provided below for the base period and whatever extension there may be thereafter, if applicable.

(1) Compensation of Covered Employees: _____
(Total Payroll Not Total Contract Value) Ex: If total Payroll is \$100,000.00

(2) Applicable DBA Rate: _____
(Use appropriate Rate) Ex: If a Service, the rate is \$4.00/\$100 or 4%

(3) Total DBA Cost: _____
Amount of DBA Premium) Ex: \$100 K multiplied by 4% is \$4,000.00

(c) Bidders/Offerors shall include a statement as to whether or not local nationals or third country nationals will be employed on the resultant contract.

(d) CNA Insurance is utilizing Rutherford International as their managing Broker. The primary POC is the USACE DBA Program Administrator is Ramoan Jones, (703) 813-6571 ramoan.jones@rutherford.com. The alternate POC is Sara Payne, Senior Vice President, (703) 813-6503 sara.payne@rutherford.com.



SAMPLE PRICING SCHEDULE
DBA INSURANCE CLINS

CLIN	Description	Qty	Unit	Price	Total
0001	Life Support / Sustainment - Lodging <i>(Lodging will be priced on a month-to-month basis until such time Government Furnished Lodging is available at a given project location. See SOW Para. 3.0)</i>	1	MO	\$_____	\$_____
0002	Contractor Travel in AED AO (When Government billeting and dining facilities are not available)	1	LS		\$50,000 NTE
0003	DBA Insurance				
0003AA	Services Personnel (NOC)	1	LS		\$_____
0003AB	Security Personnel (SLTs/Shooters)	1	LS		\$_____
0003AC	Aviation Personnel (Air Service Provider)	1	LS		\$_____
0004	Contractor Manpower Reporting (CMR) – (See Section H.15)	1	LS		\$_____
TOTAL PRICE				\$_____	
(inclusive of all line items shown above)					



DBA Insurance _____

The amount listed by the offeror on this CLIN is the estimated DBA insurance premium (estimated payroll of the offeror and its subcontractors times the applicable rate(s)). The DBA insurance premium amount varies with payroll and the nature of services and will, therefore, be taken into account during price evaluation of offers. The actual amount paid by the government under this CLIN will be based on the amount of the Rutherford invoice, stamp "paid" and submitted by the offeror after contract award. In the event of recalculation of the premium by CNA based on actual payroll amounts, the contracting officer will adjust this CLIN by contract modification to reflect the actual premium amounts paid.

RUTHERFOORD

RISK MANAGEMENT AND INSURANCE PROFESSIONALS

Rutherford International, Inc.
5500 Cherokee Ave., Suite 230
Alexandria, VA 22312
Telephone (703) 813-6500 • Fax (703) 354-0370

PLEASE RETURN THE TOP PORTION OF THIS INVOICE
WITH YOUR CHECK PAYABLE TO:
RUTHERFOORD INTERNATIONAL, INC.

ATTN: CASHIER
PO BOX 12748
ROANOKE, VA 24028

PLEASE PAY FROM THIS INVOICE.
PAYMENT IS DUE ON RECEIPT.



----- INVOICE -----

Afghan Builders Consortium (ABC)
ABC Located across from Kabul Custom
Office, Jalalabad Road
Kabul, Afghanistan, 00

Invoice Date 09/05/07
Invoice No. 285698
Bill-To Code AFGHABUIL
Client Code AFGHABUIL
Inv Order No. 4*294742

Named Insured: Afghan Builders Consortium (ABC)

Amount Remitted: \$

See return this portion with your payment.

Make checks payable to: Rutherford International, Inc.

Effective Date	Policy Period	Coverage Description	Transaction Amount
09/03/07	07/13/07 to 07/13/08	CNA Army Policy No. COE283617437 Endorsement - Workers Compensation Additional premium to add contract #W917PM-07-D-0009-0001 effective 9/3/07 Afghanistan Invoice Number: 285698	48,192.00
		Amount Due:	48,192.00

\$ PAID
07/10/07

Rutherford International, Inc.
5500 Cherokee Avenue
Suite 300
Alexandria, VA 22312

*Premiums Due and Payable on Effective Date



b. Performance / Notice to Proceed (NTP): Prior to performance under the contract, it is the responsibility of the Contracting Officer to ensure that the Contractor obtains and maintains valid DBA Insurance with CNA Insurance. Additionally, the Contracting Officer shall ensure that a valid DBA insurance policy or endorsement to an existing policy exists for each Subcontractor and verify that the USACE contract number or task order number is cited on the policy or endorsement.

c. DBA Insurance Contract Line Item Number (CLIN): A separately priced CLIN shall be established for DBA Insurance in the solicitation/contract. This will inform Offerors/Bidders of the mandatory DBA Insurance requirement and allow easy tracking and audit of insurance rates and payments. Standard CLIN language is provided as Enclosure 4 and explains that the amount listed by the offeror is based on the total estimated DBA Insurance premium and the amount varies with payroll. The actual amount paid by the U.S. Government will be based on the actual amount of the Rutherford stamped as "paid" invoice submitted by the contractor for the Prime and all Subcontractors.



Claims Filing

- Claims must be filed for all work related injuries and illnesses within 10 days of the incident.
- Follow the claims filing process in the DBA packet received from CNA/Rutherford.
- Covered Incidents include:
 - Construction accidents – deaths and injuries.
 - Hostile Actions – kidnapped, wounded, killed.
- A copy of the Claims form: LS202 must also be send to AED-N Safety Office:
tan.safety@usace.army.mil



ANY QUESTIONS?

